



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

FILED
08-27-07
04:59 PM

Application of Southern California Edison Company (U 338-E) for a Commission Finding that its Procurement-Related and Other Operations for the Record Period January 1 Through December 31, 2006 Complied with its Adopted Procurement Plan; for Verification of its Entries in the Energy Resource Recovery Account and Other Regulatory Accounts; and for Recovery of \$4.863 Million Recorded in Four Memorandum Accounts.

Application 07-04-001
(Filed April 2, 2007)

MOTION FOR LEAVE TO AMEND PREPARED TESTIMONY

Pursuant to Rule 11.1 of the California Public Utilities Commission's ("Commission") Rules of Practice and Procedure, the Division of Ratepayer Advocates ("DRA") files this Motion for Leave to Amend its Prepared Testimony in Application (A.) 07-04-001. DRA seeks to leave to amend its prepared testimony in accordance with Rule 13.8 of the Commission's Rules of Practice and Procedure, on its report of Utility Retained Generation ("URG"), currently Chapter 3 of DRA's Prepared Testimony served August 3, 2007. Specifically, DRA seeks to supplement its findings regarding the forced outage issues surrounding the Palo Verde Nuclear Generation Station ("Palo Verde"). Serving amended prepared testimony is consistent with current Commission practice that corrections to direct testimony may be made by prepared exhibit in lieu of oral testimony in order to avoid surprise and waste of time during hearings. (*Rulemaking to Update, Clarify and Recodify Rules of Practice and Procedure* [D.06-07-006], 2006 Cal. PUC LEXIS 288, pp. 14-15.)

In addition, and related to this Motion, DRA also files today a Motion for Bifurcation of the issues related to the reasonableness of expenses incurred by Southern California Edison ("SCE") arising from the outages at the Palo Verde during 2006, as well as SCE's compliance with Standard of Conduct #4 ("SOC4").

A. DRA’S AMENDED PREPARED TESTIMONY WILL HELP THE COMMISSION MAKE AN INFORMED DECISION ON THE ISSUE OF PALO VERDE

On August 3, 2007, DRA served prepared testimony on its findings of A.07-4-001. DRA, however, did not comment at the time on the issue of forced outages that occurred at Palo Verde during the Record Period.¹ During its review, however, DRA discovered a number of facts which question the reasonableness of the replacement power costs purchased as a result of the Palo Verde outages that SCE seeks to recover in this application. Arizona Public Service (“APS”), co-owner and principal operator of Palo Verde² has been cited by the Arizona Corporations Commission (“ACC”) on the reasonableness of its operations during 2005. Moreover, Palo Verde has recently been downgraded by the Nuclear Regulatory Commission (“NRC”) for repeated safety violations in the recent year. DRA is making an effort to understand how these separate agency decisions impact the Palo Verde outages in the current Record Period. These facts also indicate further investigation into the APS-SCE relationship is warranted.

These concerns are discussed at length in the *Amended Prepared Testimony of Chapter 3: Utility Retained Generation*, served concurrently today to SCE and the Commission for consideration of this Motion and DRA’s related Motion for Bifurcation. Should this Motion be granted, DRA intends to serve its amended prepared testimony to the remaining parties on the A.07-04-001 service list.

B. THE TESTIMONY WILL NOT PREJUDICE SOUTHERN CALIFORNIA EDISON

SCE is scheduled to serve its rebuttal testimony on August 31, 2007. DRA conferred with SCE by telephone on August 24, 2007 on its intention to serve amended prepared testimony. SCE did not express opposition on DRA’s intent to supplement its testimony. SCE stated its rebuttal testimony will address the 2006 outages at Palo Verde in detail. As noted in DRA’s Motion for Bifurcation, it is possible that SCE’s rebuttal

¹ The Record Period is January 1, 2006 – December 31, 2006.

² SCE is a 15.8% co-owner.

testimony may answer DRA's questions regarding the reasonableness of SCE's procurement activities and compliance with Standard of Conduct #4.

DRA sees no potential prejudice to SCE for allowing DRA's amended prepared testimony, given the testimony recommends bifurcation of the Palo Verde forced outage issue. If DRA's Motion for Bifurcation is granted by the Commission, the procedural schedule may be modified to allow an opportunity for further discovery and supplemental testimony.

DRA does not anticipate factual issues of dispute other than the issues surrounding Palo Verde.

WHEREFORE, DRA respectfully requests the Commission grant its Motion for Leave to serve Amended Prepared Testimony on Utility Retained Generation.

Respectfully submitted,

/s/ LISA-MARIE SALVACION

LISA-MARIE SALVACION
Staff Counsel

Attorney for the Division of Ratepayer Advocates

California Public Utilities Commission
505 Van Ness Ave.
San Francisco, CA 94102
Phone: (415) 703-2069
Fax: (415) 703-2262

August 27, 2007

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U 338-E) for a Commission Finding that its Procurement-Related and Other Operations for the Record Period January 1 Through December 31, 2006 Complied with its Adopted Procurement Plan; for Verification of its Entries in the Energy Resource Recovery Account and Other Regulatory Accounts; and for Recovery of \$4.863 Million Recorded in Four Memorandum Accounts.

Application 07-04-001
(Filed April 2, 2007)

[PROPOSED] ORDER

I hereby GRANT the Motion of the Division of Ratepayer Advocates' ("DRA") to serve Amended Prepared Testimony on Utility Retained Generation in this proceeding.

Dated: _____

Administrative Law Judge

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of **MOTION FOR LEAVE TO AMEND PREPARED TESTIMONY** in **A.07-04-001** by using the following service:

☒ **E-Mail Service:** sending the entire document as an attachment to all known parties of record who provided electronic mail addresses.

☐ **U.S. Mail Service:** mailing by first-class mail with postage prepaid to all known parties of record who did not provide electronic mail addresses.

Executed on August 27, 2007 at San Francisco, California.

/s/ JANET V. ALVIAR

Janet V. Alviar

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address and/or e-mail address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

Service List A.07-04-001

***** APPEARANCES *****

Robert B. Keeler
FRANK J. COOLEY
Attorney At Law
SOUTHERN CALIFORNIA EDISON COMPANY
PO BOX 800
2244 WALNUT GROVE AVENUE
ROSEMEAD CA 91770
(626) 302-4563
Robert.Keeler@sce.com

Lisa-Marie Salvacion
Legal Division
RM. 4107
505 VAN NESS AVE
San Francisco CA 94102 3298
(415) 703-2069
lms@cpuc.ca.gov

***** STATE EMPLOYEE *****

Bertram D. Patrick
Administrative Law Judge Division
RM. 5110
505 VAN NESS AVE
San Francisco CA 94102 3298
(415) 703-2740
bdp@cpuc.ca.gov

Michael Yeo
Division of Ratepayer Advocates
AREA 4-E
505 VAN NESS AVE
San Francisco CA 94102 3298
(415) 703-5248
mey@cpuc.ca.gov

***** INFORMATION ONLY *****

Ralph E. Dennis
Director, Regulatory Affairs
FELLON-MCCORD & ASSOCIATES
CONSTELLATION NEWENERGY-GAS DIVISION
9960 CORPORATE CAMPUS DRIVE, STE 2000
LOUISVILLE KY 40223
(502) 214-6378
ralph.dennis@constellation.com

Samara Mindel
Regulatory Affairs Analyst
FELLON-MCCORD & ASSOCIATES
9960 CORPORATE CAMPUS DRIVE, SUITE 2000
LOUISVILLE KY 40223
(502) 214-6303
smindel@knowledgeinenergy.com

Stephen D. Baker
Senior Regulatory Analyst
FELLON-MCCORD AND ASSOCIATES
CONSTELLATION NEW ENERGY-GAS DIVISION
9960 CORPORATE CAMPUS DRIVE, STE. 2000
LOUISVILLE KY 40223
(502) 214-6313
stephen.baker@constellation.com

MRW & ASSOCIATES, INC.
1814 FRANKLIN STREET, SUITE 720
OAKLAND CA 94612
(510) 834-1999
mrw@mrwassoc.com

Gina M. Dixon
SAN DIEGO GAS & ELECTRIC COMPANY
8330 CENTURY PARK COURT, MS CP32D
SAN DIEGO CA 92123
(858) 654-1782
gdixon@semptrautilities.com

Joanne Aldrich
SOUTHERN CALIFORNIA EDISON
2244 WALNUT GROVE AVE.
ROSEMEAD CA 91770
(626) 302-9562
joanne.aldrich@sce.com

Case Administration
SOUTHERN CALIFORNIA EDISON COMPANY
LAW DEPARTMENT
2244 WALNUT GROVE AVENUE
ROSEMEAD CA 91770
(626) 302-3101
case.administration@sce.com